

AMENDED IN ASSEMBLY AUGUST 6, 2013

AMENDED IN ASSEMBLY JUNE 26, 2013

AMENDED IN ASSEMBLY JUNE 13, 2013

AMENDED IN SENATE APRIL 22, 2013

SENATE BILL

No. 656

Introduced by Senator Wright

February 22, 2013

An act to amend Sections 392.1, 394.3, and 394.5 of, and to add Chapter 4.7 (commencing with Section 980) to Part 1 of Division 1 of, the Public Utilities Code, relating to electricity.

LEGISLATIVE COUNSEL'S DIGEST

SB 656, as amended, Wright. Electrical restructuring: information practices.

(1) Under existing law, the Public Utilities Commission has broad regulatory authority over public utilities, including electrical corporations, as defined. Existing law restructuring the electrical industry requires the commission to authorize and facilitate direct transactions between electricity suppliers and end-use customers subject to the implementation of a nonbypassable charge, as specified. Electrical restructuring requires electric service providers, which are entities that offer electrical service to customers within the service territory of an electrical corporation but which are not electrical corporations, to register with the commission and to disclose specified information, among other things and authorizes the commission to enforce specific statutes with respect to electric service providers, but does not grant the commission jurisdiction to regulate electric service providers other than as specified.

Existing law restructuring the electrical industry requires the commission to compile and regularly update information regarding registered electric service providers, including the names and contact numbers of providers, information to assist consumers in making service choices, the number of customer complaints against specific providers in relation to the number of customers served by those providers, and the disposition of those complaints. In this regard, existing law requires the commission to direct the Office, now Division, of Ratepayer Advocates to collect and analyze this information for purposes of preparing easily understandable informational guides or other tools to help residential and small commercial customers understand how to evaluate competing electric service options.

This bill would, except for the compilation and updating of the names and contact numbers of providers, make inoperative the above provisions, except for those times in which providers are authorized to offer service to residential customers and enrollment increases at a specified level, and would make conforming changes in related provisions. The bill would repeal the requirement related to the informational guides.

(2) The Public Utilities Act establishes various consumer protection provisions, including the requirement that each entity, other than an electrical corporation, offering electrical service to residential and small commercial customers within the service territory of an electrical corporation register with the commission and provide specified information to the commission. A violation of the act is a crime.

This bill would extend those consumer protection provisions, including the requirement to register with, and provide specified information to the commission, to a core transport agent, as defined, offering gas service to residential and small commercial customers within the service territory of a gas corporation. Because a violation of the above provisions is a crime, this bill would impose a state-mandated local program.

(3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 392.1 of the Public Utilities Code is
2 amended to read:

3 392.1. (a) The commission shall compile and regularly update
4 the names and contact numbers of registered providers.

5 (b) (1) The commission shall also compile and regularly update
6 information to assist consumers in making service choices and the
7 number of customer complaints against specific providers in
8 relation to the number of customers served by those providers and
9 the disposition of those complaints. To facilitate this function,
10 registered entities shall file with the commission information
11 describing the terms and conditions of any standard service plan
12 made available to residential and small commercial customers.
13 The commission shall adopt a standard format for this filing. The
14 commission shall maintain and make generally available a list of
15 entities offering electrical services operating in California. This
16 list shall include all registered providers and those providers not
17 required to be registered who request the commission to be
18 included in the list. The commission shall, upon request, make this
19 information available at no charge. Notwithstanding any other
20 provision of law, public agencies that are registered entities shall
21 be required to disclose their terms and conditions of service
22 contracts only to the same extent that other registered entities
23 would be required to disclose the same or similar service contracts.

24 (2) The commission shall issue public alerts about companies
25 attempting to provide electric service in the state in an unauthorized
26 or fraudulent manner as defined in subdivision (b) of Section
27 394.25.

28 (3) (A) This subdivision is inoperative except for time periods
29 in which providers are authorized to offer service to residential
30 customers and the combined enrollments in competitive retail
31 electric service in the service territories of the Pacific Gas and
32 Electric Company, Southern California Edison Company, and San
33 Diego Gas and Electric Company increase at a rate of more than
34 5 percent per month.

35 (B) The commission shall notify, in writing, the Secretary of
36 State at the beginning and end of any time period described in
37 subparagraph (A).

1 SEC. 2. Section 394.3 of the Public Utilities Code is amended
2 to read:

3 394.3. To carry out essential elements of a sustainable and
4 effective consumer protection program in connection with electric
5 service providers offering electrical service to residential and small
6 commercial customers as intended by the Legislature in this article,
7 the following shall apply:

8 (a) The commission shall collect a registration fee of one
9 hundred dollars (\$100) from electric service providers required to
10 register under this article, and deposit the fee proceeds in the Public
11 Utilities Reimbursement Account established under Section 402.

12 (b) The commission shall annually determine the costs of
13 administering the registration program and other facets of consumer
14 protection directly related to the direct access transactions of
15 electric service providers. The commission shall collect only those
16 costs not already being collected elsewhere. A registrant who fails
17 to submit to the commission a required fee or a piece of information
18 upon which fees are calculated within 30 days of billing shall be
19 subject to a 15-percent penalty.

20 SEC. 3. Section 394.5 of the Public Utilities Code is amended
21 to read:

22 394.5. (a) Except for an electrical corporation as defined in
23 Section 218, or a local publicly owned electric utility offering
24 electrical service to residential and small commercial customers
25 within its service territory, each electric service provider offering
26 electrical service to residential and small commercial customers
27 shall, prior to the commencement of service, provide the potential
28 customer with a written notice of the service describing the price,
29 terms, and conditions of the service. A notice shall include all of
30 the following:

31 (1) A clear description of the price, terms, and conditions of
32 service, including:

33 (A) The price of electricity expressed in a format that makes it
34 possible for residential and small commercial customers to compare
35 and select among similar products and services on a standard basis.
36 The commission shall adopt rules to implement this subdivision.
37 The commission shall require disclosure of the total price of
38 electricity on a cents-per-kilowatthour basis, including the costs
39 of all electric services and charges regulated by the commission.
40 The commission shall also require estimates of the total monthly

1 bill for the electric service at varying consumption levels, including
2 the costs of all electric services and charges regulated by the
3 commission. In determining these rules, the commission may
4 consider alternatives to the cents-per-kilowatthour disclosure if
5 other information would provide the customer with sufficient
6 information to compare among alternatives on a standard basis.

7 (B) Separate disclosure of all recurring and nonrecurring charges
8 associated with the sale of electricity.

9 (C) If services other than electricity are offered, an itemization
10 of the services and the charge or charges associated with each.

11 (2) An explanation of the applicability and amount of the
12 competition transition charge, as determined pursuant to Sections
13 367 to 376, inclusive.

14 (3) A description of the potential customer's right to rescind
15 the contract without fee or penalty as described in Section 395.

16 (4) An explanation of the customer's financial obligations, as
17 well as the procedures regarding past due payments, discontinuance
18 of service, billing disputes, and service complaints.

19 (5) The electric service provider's registration number, if
20 applicable.

21 (6) The right to change service providers upon written notice,
22 including disclosure of any fees or penalties assessed by the
23 supplier for early termination of a contract.

24 (7) A description of the availability of low-income assistance
25 programs for qualified customers and how customers can apply
26 for these programs.

27 (b) The commission may assist electric service providers in
28 developing the notice. The commission may suggest inclusion of
29 additional information it deems necessary for the consumer
30 protection purposes of this section. On at least a semiannual basis,
31 electric service providers shall provide the commission with a copy
32 of the form of notice included in standard service plans made
33 available to residential and small commercial customers.

34 (c) An electric service provider offering electric services who
35 declines to provide those services to a consumer shall, upon request
36 of the consumer, disclose to that consumer the reason for the denial
37 in writing within 30 days. At the time service is denied, the electric
38 service provider shall disclose to the consumer the right to make
39 this request. A consumer shall have at least 30 days from the date
40 service is denied to make the request.

SEC. 4. Chapter 4.7 (commencing with Section 980) is added to Part 1 of Division 1 of the Public Utilities Code, to read:

CHAPTER 4.7. CORE TRANSPORT AGENT

980. As used in this chapter, the following terms mean the following:

(a) “Core transport agent” means an entity that offers gas service to customers within the service territory of a gas corporation, but does not include a gas corporation, and does not include a public agency that offers gas service to residential and small commercial customers within its jurisdiction, or within the service territory of a local publicly owned gas utility. “Core transport agent” includes the unregulated affiliates and subsidiaries of a gas corporation.

(b) “Gas corporation” has the same meaning as that set forth in Section 222.

(c) “Small commercial customer” means a customer that has a maximum peak demand of less than ~~20,800~~ therms.

981. (a) A core transport agent shall register with the commission *within 90 days after the commission has adopted standards for financial viability, and technical and operational capacity*. As a precondition to registration, the core transport agent shall provide, under oath, declaration, or affidavit, all of the following information to the commission:

(1) Legal name and any other names under which the core transport agent is doing business in California.

(2) Current telephone number.

(3) Current address.

(4) Agent for service of process.

(5) State and date of incorporation, if any.

(6) Number for a customer contact representative, or other personnel for receiving customer inquiries.

(7) Brief description of the nature of the service being provided.

(8) Disclosure of any civil, criminal, or regulatory sanctions or penalties imposed within the 10 years immediately prior to registration, against the company or any owner, partner, officer, or director of the company pursuant to any state or federal consumer protection law or regulation, and of any felony convictions of any kind against the company or any owner, partner, officer, or director of the company. In addition, a core transport

1 agent shall furnish the commission with fingerprints for those
2 owners, partners, officers, and managers of the core transport agent
3 specified by any commission decision applicable to all core
4 transport agents. The commission shall submit completed
5 fingerprint cards to the Department of Justice. Those fingerprints
6 shall be available for use by the Department of Justice and the
7 Department of Justice may transmit the fingerprints to the Federal
8 Bureau of Investigation for a national criminal history record check.
9 The commission may use information obtained from a national
10 criminal history record check conducted pursuant to this section
11 to determine a core transport agent's eligibility for registration.

12 (9) Proof of financial viability. The commission shall develop
13 uniform standards for determining financial viability and shall
14 publish those standards for public comment no later than June 30,
15 2014. In determining the financial viability of the core transport
16 agent, the commission shall take into account the number of
17 customers the potential registrant expects to serve, the number of
18 therms of gas it expects to provide, and any other appropriate
19 criteria to ensure that residential and small commercial customers
20 have adequate recourse in the event of fraud or nonperformance.

21 (10) Proof of technical and operational ability. The commission
22 shall develop uniform standards for determining technical and
23 operational capacity and shall publish those standards for public
24 comment no later than June 30, 2014.

25 ~~(b) A registration filing approved by the commission prior to~~
26 ~~January 1, 2014, that does not comply in all respects with the~~
27 ~~requirements of subdivision (a) shall nevertheless continue in force~~
28 ~~and effect as long as before July 1, 2014, the core transport agent~~
29 ~~undertakes to supplement its registration filing to the satisfaction~~
30 ~~of the commission. A registration that is not supplemented by the~~
31 ~~required information within the time set forth in this subdivision~~
32 ~~shall be suspended by the commission and shall not be reinstated~~
33 ~~until the commission has found the registration to be in full~~
34 ~~compliance with subdivision (a).~~

35 (e)

36 (b) Before reentering the market, a core transport agent whose
37 registration has been revoked shall file a formal application with
38 the commission that satisfies the requirements set forth in Section
39 982 and demonstrates the fitness and ability of the core transport
40 agent to comply with all applicable rules of the commission.

1 ~~(d)~~

2 (c) Registration with the commission is an exercise of the
3 licensing function of the commission, and does not constitute
4 regulation of the rates or terms and conditions of service offered
5 by core transport agents. This part does not authorize the
6 commission to regulate the rates or terms and conditions of service
7 offered by core transport agents.

8 982. (a) The registration shall be deemed approved and a
9 registration number issued no later than 45 days after the required
10 information has been submitted, unless the commission's executive
11 director finds, upon review of the information submitted by the
12 core transport agent or available to the commission, that there is
13 evidence to support a finding that the core transport agent has
14 committed an act constituting grounds for denial of registration as
15 specifically set forth in the operative provisions of this chapter,
16 including, but not limited to, subdivision (c).

17 (b) Upon a finding by the commission's executive director that
18 there is evidence to support a finding that the core transport agent
19 has committed an act constituting grounds for denial of registration
20 as set forth in this section, the commission shall notify the core
21 transport agent in writing, cause the documents submitted by the
22 core transport agent to be filed as a formal application for
23 registration, and notice an expedited hearing on the registration of
24 the core transport agent to be held within 30 days of the notification
25 to the core transport agent of the executive director's finding of
26 evidence to support denial of registration. The commission shall,
27 within 45 days after holding the hearing, issue a decision on the
28 registration request which shall be based on the findings of fact
29 and conclusions of law based on the evidence presented at the
30 hearing. The decision shall include the findings of fact and the
31 conclusions of law relied upon.

32 (c) (1) The commission may deny an application for registration
33 in accordance with subdivision (b) on the grounds that the core
34 transport agent or any officer or director of the core transport agent
35 has one or more of the following:

36 (A) Been convicted of a crime as described in paragraph (8) of
37 subdivision (a) of Section 981.

38 (B) Failure to make a sufficient showing with respect to
39 paragraphs (1) to (10), inclusive, of subdivision (a) of Section 981.

1 (C) Knowingly made a false statement of fact in the application
2 for registration.

3 (2) The commission may deny registration pursuant to this
4 subdivision only if the crime or act is substantially related to the
5 qualifications, functions, or duties required to provide gas service
6 to end use customers of gas or the false statement is material to
7 the registration application. For purposes of this subdivision,
8 conviction of a crime shall be established in the same manner as
9 that set forth in paragraph (1) of subdivision (a) of Section 480 of
10 the Business and Professions Code.

11 (d) The commission shall require core transport agents registered
12 under this section to update their registration information set forth
13 in paragraphs (1) to (10), inclusive, of subdivision (a) of Section
14 981 within 60 days of any material change in the information
15 provided. Material changes to any other information required
16 pursuant to this article shall be updated annually.

17 983. (a) The commission shall accept, compile, and attempt
18 to informally resolve consumer complaints regarding core transport
19 agents. If the commission reasonably suspects a pattern of customer
20 abuses, the commission may, on its own motion, initiate
21 investigations into the activities of a core transport agent offering
22 gas service. Consumer complaints regarding service by a public
23 agency offering gas service within the political boundary of the
24 public agency or service territory of a local publicly owned gas
25 utility shall continue to be resolved by the public agency. Within
26 the service territory of a local publicly owned utility, consumer
27 complaints arising from the violation of core transport service rules
28 adopted by the governing body of the local publicly owned utility
29 shall be resolved through the local publicly owned utility's
30 consumer complaint procedures.

31 (b) Notwithstanding other provisions, residential and small
32 commercial customers shall have the option to proceed with a
33 complaint against a core transport agent either through an action
34 filed in the judicial court system or through a complaint filed with
35 the commission. A customer who elects either the judicial or
36 commission remedies may not raise the same claim in both forums.
37 The commission shall have the authority to accept, compile, and
38 resolve residential, and small commercial consumer complaints,
39 including the authority to award reparations. The commission's
40 authority in these complaint proceedings is limited to adjudication

1 of complaints regarding residential and small commercial gas
2 service provided by a core transport agent and shall not be
3 expanded to include either an award of any other damages or
4 regulation of the rates or charges of the core transport agent.
5 However, a person or core transport agent that takes a conflict to
6 the commission shall not be precluded from pursuing an appeal
7 of the decision through the courts as provided for by law.

8 (c) In connection with customer complaints or commission
9 investigations into customer abuses, core transport agents shall
10 provide the commission access to their accounts, books, papers,
11 and documents related to California transactions as described in
12 Sections 313 and 314, if the information is relevant to the complaint
13 or investigation.

14 (d) A core transport agent shall not discontinue service to a
15 customer for a disputed amount if that customer has filed a
16 complaint that is pending with the commission, and that customer
17 has paid the disputed amount into an escrow account.

18 983.5. (a) (1) The commission may enforce Sections 2102,
19 2103, 2104, 2105, 2107, 2108, and 2114 against a core transport
20 agent as if the core transport agent is a public utility for purposes
21 of those sections.

22 (2) Notwithstanding paragraph (1), this section does not grant
23 the commission jurisdiction to regulate core transport agents other
24 than as specifically set forth in this chapter. Core transport agents
25 shall continue to be subject to Sections 2111 and 2112.

26 (3) Upon a finding by the commission's executive director that
27 there is evidence to support a finding that the core transport agent
28 has committed an act constituting grounds for suspension or
29 revocation of registration as set forth in subdivision (b), the
30 commission shall notify the core transport agent in writing and
31 notice an expedited hearing on the suspension or revocation of the
32 core transport agent's registration to be held within 30 days of the
33 notification to the core transport agent of the executive director's
34 finding of evidence to support suspension or revocation of
35 registration. The commission shall, within 45 days after holding
36 the hearing, issue a decision on the suspension or revocation of
37 registration, which shall be based on findings of fact and
38 conclusions of law based on the evidence presented at the hearing.
39 The decision shall include the findings of fact and the conclusions
40 of law relied upon.

1 (b) A core transport agent may have its registration suspended
2 or revoked, immediately or prospectively, in whole or in part, for
3 any of the following acts:

4 (1) Making material misrepresentations in the course of
5 soliciting customers, entering into service agreements with those
6 customers, or administering those service agreements.

7 (2) Dishonesty, fraud, or deceit with the intent to substantially
8 benefit the core transport agent or its employees, agents, or
9 representatives, or to disadvantage retail gas customers.

10 (3) If the commission finds that there is evidence that the core
11 transport agent is not financially or operationally capable of
12 providing the offered gas service.

13 (4) The misrepresentation of a material fact by an applicant in
14 obtaining a registration pursuant to Section 981.

15 (c) Pursuant to its authority to revoke or suspend registration,
16 the commission may suspend a registration for a specified period
17 or revoke the registration, or in lieu of suspension or revocation,
18 impose a moratorium on adding or soliciting additional customers.
19 Any suspension or revocation of a registration shall require the
20 core transport agent to cease serving customers within the
21 boundaries of investor-owned gas corporations, and the affected
22 customers shall be served by the gas corporation until the time
23 when they may select service from another core transport agent.
24 A customer shall not be liable for the payment of any early
25 termination fees or other penalties to any core transport agent under
26 the service agreement if the serving core transport agent's
27 registration is suspended or revoked.

28 (d) If a customer of a core transport agent is involuntarily
29 returned to service provided by a gas corporation, any reentry fee
30 imposed on that customer that the commission deems is necessary
31 to avoid imposing costs on other customers of the gas corporation
32 shall be the obligation of the core transport agent, except in the
33 case of a customer returned due to default in payment or other
34 contractual obligations or because the customer's contract has
35 expired. As a condition of its registration, a core transport agent
36 shall post a bond or demonstrate insurance sufficient to cover those
37 reentry fees. In the event that a core transport agent becomes
38 insolvent and is unable to discharge its obligation to pay reentry
39 fees, the fees shall be allocated to the returning customers.

1 983.7. If a customer files a claim with a gas corporation for
2 damages to property resulting from the curtailment of gas service
3 due to the failure of the gas corporation to reasonably provide
4 service or restore service within a reasonable time after a fire,
5 flood, earthquake, other natural disaster, or act of God, the gas
6 corporation shall inform the customer that the claim may be
7 pursued in small claims court or other judicial courts, depending
8 on the amount of the claim.

9 984. In order to carry out essential elements of a sustainable
10 and effective consumer protection program in connection with
11 core transport agents offering gas service to residential and small
12 commercial customers as intended by the Legislature in this
13 chapter, the following shall apply:

14 (a) A registration fee of one hundred dollars (\$100) shall be
15 collected from a core transport agent required to register under
16 this chapter and the fee proceeds shall be deposited in the Public
17 Utilities Reimbursement Account established under Section 402.
18 *The commission may adjust the fee as necessary to recover the*
19 *cost of administering the program.*

20 (b) The commission shall annually determine the costs of
21 administering the registration program and other facets of consumer
22 protection directly related to the core transport service transactions
23 of core transport agents, including the cost for the duties imposed
24 pursuant to subdivision (c) of Section 984.5. The commission shall
25 only collect those costs not already being collected elsewhere.
26 Registrants who fail to submit to the commission required fees or
27 information upon which fees are calculated within 30 days of
28 billing shall be subject to a 15-percent penalty.

29 984.5. (a) The commission shall compile and regularly update
30 the following information: names and contact numbers of a
31 registered core transport agent, information to assist consumers in
32 making service choices, and the number of customer complaints
33 against specific providers in relation to the number of customers
34 served by those providers and the disposition of those complaints.
35 To facilitate this function, registered entities shall file with the
36 commission information describing the terms and conditions of
37 any standard service plan made available to residential and small
38 commercial customers. The commission shall adopt a standard
39 format for this filing. The commission shall maintain and make
40 generally available a list of entities offering core transport services

1 operating in California. This list shall include all registered core
2 transport agents and those agents not required to be registered that
3 request the commission to be included on the list. The commission
4 shall, upon request, make this information available at no charge.
5 Notwithstanding any other law, public agencies that are registered
6 entities shall be required to disclose their terms and conditions of
7 service contracts only to the same extent that other registered
8 entities would be required to disclose the same or similar service
9 contracts.

10 (b) The commission shall issue public alerts about companies
11 attempting to provide core transport service in the state in an
12 unauthorized or fraudulent manner as defined in subdivision (b)
13 of Section 983.5.

14 (c) The commission shall direct the Office of Ratepayer
15 Advocates to collect and analyze information provided pursuant
16 to subdivision (a) for purposes of preparing easily understandable
17 informational guides or other tools to help residential and small
18 commercial customers understand how to evaluate competing core
19 transport service options. In implementing these provisions, the
20 commission shall direct the Office of Ratepayer Advocates to pay
21 special attention to ensuring that customers, especially those with
22 limited-English-speaking ability or other disadvantages when
23 dealing with marketers, receive correct, reliable, and easily
24 understood information to help them make informed choices. The
25 Office of Ratepayer Advocates shall not make specific
26 recommendations or rank the relative attractiveness of specific
27 service offerings of registered providers of core transport services.

28 985. Rules that implement the following minimum standards
29 shall be adopted by the commission for core transport agents
30 offering gas services to residential and small commercial customers
31 and the governing body of a public agency offering gas services
32 to residential and small commercial customers within its
33 jurisdiction:

34 (a) Confidentiality. Customer information shall be confidential
35 unless the customer consents in writing. This shall encompass
36 confidentiality of customer specific billing, credit, or usage
37 information. This requirement shall not extend to disclosure of
38 generic information regarding the usage, load shape, or other
39 general characteristics of a group or rate classification, unless the
40 release of that information would reveal customer specific

1 information because of the size of the group, rate classification,
2 or nature of the information.

3 (b) Physical disconnects and reconnects. Only a gas corporation,
4 or a publicly owned gas utility, that provides physical delivery
5 service to the affected customer shall have the authority to
6 physically disconnect or reconnect a customer from the
7 transmission or distribution grid. Physical disconnection by gas
8 corporations subject to the commission's jurisdiction shall occur
9 only in accordance with protocols established by the commission.
10 Physical disconnection by publicly owned gas utilities shall occur
11 only in accordance with protocols established by the governing
12 board of the local publicly owned gas utility.

13 (c) Change in providers. Upon adequate notice supplied by a
14 core transport agent to the gas corporation or local publicly owned
15 gas utility providing physical delivery service, customers who are
16 eligible for core transport service may change their energy supplier.
17 Energy suppliers may charge for this change, provided that any
18 fee or penalty charged by the supplier associated with early
19 termination of service, shall be disclosed in that contract or
20 applicable tariff.

21 (d) Written notices. Notices describing the terms and conditions
22 of service as described in Section 986, service agreements, notices
23 of late payment, notices of discontinuance of service, and
24 disconnection notices addressed to residential and small
25 commercial customers shall be easily understandable and shall be
26 provided in the language in which the core transport agent offered
27 the services.

28 (e) Billing. All bills shall have a standard bill format, as
29 determined by the commission or the governing body, and shall
30 contain sufficient detail for the customer to recalculate the bill for
31 accuracy. Any late fees shall be separately stated. A core transport
32 agent shall provide on all customer bills a telephone number by
33 which customers may contact the core transport agent to report
34 and resolve billing inquiries and complaints. A core transport agent
35 contacted by a customer regarding a billing dispute shall advise
36 the customer at the time of the initial contact that the customer
37 may file a complaint with the commission if the customer's dispute
38 is not satisfactorily resolved by the core transport agent.

39 (f) Meter integrity. A gas customer shall have a reasonable
40 opportunity to have his or her meter tested to ensure the reasonable

1 accuracy of the meter. The commission or governing body shall
2 determine who is responsible for the cost of that testing.

3 (g) Customer deposits. Core transport agents may require
4 customer deposits before commencing service, but in no event
5 shall the deposit be more than the estimated bill for the customer
6 for a three-month period.

7 (h) Additional protections. The commission or the governing
8 body may adopt additional residential and small commercial
9 consumer protection standards that are in the public interest.

10 986. (a) Except for a gas corporation, or a local publicly owned
11 gas utility offering gas service to residential and small commercial
12 customers within its service territory, a core transport agent offering
13 gas service to residential and small commercial customers shall,
14 prior to the commencement of service, provide the potential
15 customer with a written notice of the service describing the price,
16 terms, and conditions of the service. The notices shall include all
17 of the following:

18 (1) A clear description of the price, terms, and conditions of
19 service, including all of the following:

20 (A) The price of gas expressed in a format that makes it possible
21 for residential and small commercial customers to compare and
22 select among similar products and services on a standard basis.
23 The commission shall adopt rules to implement this subdivision.
24 The commission shall require disclosure of the total price of gas
25 on a cents-per-therm basis, including the costs of all gas services
26 and charges regulated by the commission. The commission shall
27 also require estimates of the total monthly bill for the gas service
28 at varying consumption levels, including the costs of all gas
29 services and charges regulated by the commission. In determining
30 these rules, the commission may consider alternatives to the
31 cents-per-therm disclosure if other information would provide the
32 customer with sufficient information to compare among alternatives
33 on a standard basis.

34 (B) Separate disclosure of all recurring and nonrecurring charges
35 associated with the sale of gas.

36 (C) If services other than gas are offered, an itemization of the
37 services and the charge or charges associated with each.

38 (2) A description of the potential customer's right to rescind
39 the contract without fee or penalty as described in Section 989.1.

1 (3) An explanation of the customer's financial obligations, as
2 well as the procedures regarding past due payments, discontinuance
3 of service, billing disputes, and service complaints.

4 (4) The core transport agent's registration number, if applicable.

5 (5) The right to change service providers upon written notice,
6 including disclosure of any fees or penalties assessed by the
7 supplier for early termination of a contract.

8 (6) A description of the availability of low-income assistance
9 programs for qualified customers and how customers can apply
10 for these programs.

11 (b) The commission may assist core transport agents in
12 developing the notice. The commission may suggest inclusion of
13 additional information it deems necessary for the consumer
14 protection purposes of this section. On at least a semiannual basis,
15 a core transport agent shall provide the commission with a copy
16 of the form of notice included in its standard service plans made
17 available to residential and small commercial customers as
18 described in subdivision (a) of Section 984.5.

19 (c) Any core transport agent offering gas services who declines
20 to provide those services to a consumer shall, upon request of the
21 consumer, disclose to that consumer the reason for the denial in
22 writing within 30 days. At the time service is denied, the core
23 transport agent shall disclose to the consumer his or her right to
24 make this request. Consumers shall have at least 30 days from the
25 date service is denied to make the request.

26 987. (a) The commission shall maintain a list of residential
27 and small commercial customers who do not wish to be solicited
28 by telephone, by a gas corporation, marketer, broker, or aggregator
29 for gas service, to subscribe to or change their core transport agent.
30 The commission shall not assess a charge for inclusion of a
31 customer on the list. The list shall be updated periodically, but no
32 less than quarterly.

33 (b) The list shall include sufficient information for gas
34 corporations, marketers, brokers, or aggregators of gas service to
35 identify customers who do not wish to be solicited, including a
36 customer's address and telephone number. The list shall be made
37 accessible electronically from the commission to any party
38 regulated as a gas corporation or registered at the commission as
39 an electric marketer, broker, or aggregator of gas service.

1 (c) A gas corporation, marketer, broker, or aggregator of gas
2 service shall not solicit, by telephone, any customer on the list
3 prepared pursuant to subdivision (a). Any gas corporation,
4 marketer, broker, or aggregator of gas service, or the representative
5 of a gas corporation, marketer, broker, or aggregator of gas service,
6 who solicits any customer on the list prepared pursuant to
7 subdivision (a) more than once shall be liable to the customer for
8 twenty-five dollars (\$25) for each contact in violation of this
9 subdivision.

10 988. Notwithstanding any other provision of this chapter,
11 requirements placed on a core transport agent shall not apply to
12 gas services provided by a local publicly owned gas utility to
13 customers within the jurisdiction or service territory of that local
14 publicly owned gas utility.

15 989. Unclaimed refunds ordered by the commission, and any
16 accrued interest, may be used by the commission to fund additional
17 consumer protection efforts.

18 989.1. (a) In addition to any other right to revoke an offer,
19 residential and small commercial customers of gas service, have
20 the right to cancel a contract for gas service until midnight of the
21 third business day after the day on which the buyer signs an
22 agreement or offer to purchase.

23 (b) Cancellation occurs when the buyer gives written notice of
24 cancellation to the seller at the address specified in the agreement
25 or offer.

26 (c) Notice of cancellation, if given by mail, is effective when
27 deposited in the mail properly addressed with postage prepaid.

28 (d) Notice of cancellation given by the buyer need not take the
29 particular form as provided with the contract or offer to purchase
30 and, however expressed, is effective if it indicates the intention of
31 the buyer not to be bound by the contract.

32 989.5. (a) A consumer damaged by a violation of this chapter
33 by a core transport agent is entitled to recover all of the following:

- 34 (1) Actual damages.
35 (2) The consumer's reasonable attorney's fees and court costs.
36 (3) Exemplary damages, in the amount the court deems proper,
37 for intentional or willful violations.
38 (4) Equitable relief as the court deems proper.

1 (b) The rights, remedies, and penalties established by this
2 chapter are in addition to the rights, remedies, or penalties
3 established under any other law.

4 (c) This chapter does not abrogate any authority of the Attorney
5 General to enforce existing law.

6 SEC. 5. No reimbursement is required by this act pursuant to
7 Section 6 of Article XIII B of the California Constitution because
8 the only costs that may be incurred by a local agency or school
9 district will be incurred because this act creates a new crime or
10 infraction, eliminates a crime or infraction, or changes the penalty
11 for a crime or infraction, within the meaning of Section 17556 of
12 the Government Code, or changes the definition of a crime within
13 the meaning of Section 6 of Article XIII B of the California
14 Constitution.